



SEATTLE CITY COUNCIL

Legislative Summary

CB 118537

Record No.: CB 118537

Type: Ordinance (Ord)

Status: Passed

Version: 1

124912

In Control: City Clerk

File Created: 09/23/2015

Final Action: 12/01/2015

Title: AN ORDINANCE relating to taxation of utilities in The City of Seattle; amending Section 5.48.050 of the Seattle Municipal Code.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Licata

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: adam.schaefer@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published:

Yes

No

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	09/28/2015	Mayor's leg transmitted to Council	City Clerk			
	Action Text:	The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk					
	Notes:						
1	City Clerk	10/20/2015	sent for review	Budget Committee			
	Action Text:	The Council Bill (CB) was sent for review. to the Budget Committee					
	Notes:						
1	Full Council	10/26/2015	referred	Budget Committee			
	Action Text:	The Council Bill (CB) was referred. to the Budget Committee					
	Notes:						
1	Budget Committee	11/16/2015	pass				Pass
	Action Text:	The Committee recommends that Full Council pass the Council Bill (CB).					
	Notes:						
	In Favor:	7 Chair Licata, Member Bagshaw, Member Burgess, Member Godden, Member O'Brien, Member Rasmussen, Member Sawant					
	Opposed:	0					
	Absent(NV):	1 Okamoto					

- 1 Full Council 11/23/2015 passed Pass
Action Text: The Council Bill (CB) was passed by the following vote and the President signed the Bill:
Notes:
In Favor: 9 Councilmember Bagshaw, Council President Burgess, Councilmember Godden, Councilmember Harrell, Councilmember Licata, Councilmember O'Brien, Okamoto, Councilmember Rasmussen, Councilmember Sawant
Opposed: 0
- 1 City Clerk 11/30/2015 submitted for Mayor
Mayor's signature
Action Text: The Council Bill (CB) was submitted for Mayor's signature. to the Mayor
Notes:
- 1 Mayor 12/01/2015 Signed
Action Text: The Council Bill (CB) was Signed.
Notes:
- 1 Mayor 12/01/2015 returned City Clerk
Action Text: The Council Bill (CB) was returned. to the City Clerk
Notes:
- 1 City Clerk 12/01/2015 attested by City Clerk
Action Text: The Ordinance (Ord) was attested by City Clerk.
Notes:
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CITY OF SEATTLE
ORDINANCE 124912
COUNCIL BILL 118537

AN ORDINANCE relating to taxation of utilities in The City of Seattle; amending Section 5.48.050 of the Seattle Municipal Code.

WHEREAS, Seattle Municipal Code Section 5.48.050 establishes a utility tax on the conduct, maintenance, and operation of drainage and wastewater systems; and

WHEREAS, Section 5.48.050 currently excludes drainage and wastewater systems not operated by The City of Seattle from this utility tax; and

WHEREAS, the City finds that these taxes should also apply to drainage and wastewater utilities operated by port districts within the City; and

WHEREAS, such a change in the application of drainage and wastewater system utility taxes will not itself increase the costs to municipal ratepayers because adopted rates are inclusive of all taxes, and there will be no change in rates attributable to the application of taxes authorized in this ordinance; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 5.48.050 of the Seattle Municipal Code, last amended by Ordinance 122916, is amended as follows:

5.48.050 Occupations subject to tax—Amount((:))

There are levied upon, and shall be collected from everyone, including ((~~the~~))The City of Seattle, on account of certain business activities engaged in or carried on, annual license fees or occupation taxes in the amount to be determined by the application of rates given against gross income as follows:

1 A. Upon everyone engaged in or carrying on a telecommunications service or telephone
2 business, a fee or tax equal to six ~~((6))~~ percent of the total gross income from such business
3 provided to customers within the City. The tax liability imposed under this ~~((section))~~ Section
4 5.48.050 shall not apply for that portion of gross income derived from charges to another
5 telecommunications company, as defined in RCW 80.04.010, for connecting fees, switching
6 charges, or carrier access charges relating to intrastate toll telephone services, or for access to, or
7 charges for, interstate services, or charges for telecommunication service or telephone business
8 that is purchased for the purpose of resale. (Such charges, except for interstate service, shall be
9 taxed under ~~((SMC))~~ Chapter 5.45.) The total gross income shall also include all charges by the
10 provider of cellular or cellular mobile telephone services provided to its customers in any taxing
11 jurisdiction (intrastate or interstate), which are billed to a "place of primary use" located in
12 Seattle by or for the home service provider, irrespective of whether the services are provided by
13 the home service provider.

14 B. Upon everyone engaged in or carrying on the business of selling, brokering, or
15 furnishing gas for hire, a fee or tax equal to six ~~((6))~~ percent of the total gross income from
16 such business in the City.

17 C. Upon everyone, including The City of Seattle, engaged in or carrying on the business
18 of selling or furnishing water for hire to consumers, a fee or tax equal to the total gross income
19 from such retail business in the City multiplied by the following rates:

20 Effective through March 30, 2009, a rate of ~~((fifteen and fifty-four one hundredths -))~~ 15.54~~(())~~
21 percent;

22 Effective March 31, 2009 through December 31, 2010, a rate of ~~((nineteen and eighty-seven one~~
23 ~~hundredths -))~~ 19.87~~(())~~ percent; and

1 Effective January 1, 2011, a rate of ~~((fifteen and fifty-four one hundredths ()))~~15.54~~(())~~ percent;

2 Provided that as to The City of Seattle in the conduct of its municipal water utility, such tax shall
3 be applicable to the business of such utility done without, as well as within, the City.

4 D. Upon everyone, including The City of Seattle, engaged in or carrying on the business
5 of selling or furnishing electric light and power to consumers, a fee or tax equal to six ~~((6))~~
6 percent of the total gross income from such business in the City. The fee or tax imposed upon the
7 municipal light and power system of the City shall be applicable to the business of such system
8 both within and without the City.

9 E. Upon everyone conducting or engaged in the business of supplying steam heat or
10 power to consumers, a fee or tax equal to six ~~((6))~~ percent of the total gross income from such
11 business in the City.

12 F. Upon The City of Seattle and any port district, in respect to the conduct, maintenance,
13 and operation of a ~~((its municipal))~~ drainage system as a public utility, a fee or tax equal to
14 ~~((eleven and one-half ()))~~11.5~~(())~~ percent of the total gross income from ~~((the))~~ drainage charges
15 ~~((provided for under City ordinances))~~. For purposes of this Section 5.48.050, "drainage charges"
16 means, for The City of Seattle, the drainage charges provided for under City ordinances; and for
17 any port district, the gross income from the conduct, maintenance, and operation of a drainage
18 system as a public utility in the City.

19 G. Upon The City of Seattle and any port district, in respect to the conduct, maintenance,
20 and operation of a ~~((its municipal))~~ wastewater system as a public utility, a fee or tax equal to
21 ~~((twelve ()))~~12~~(())~~ percent of the total gross income from ~~((the))~~ wastewater charges ~~((provided~~
22 ~~for under City ordinances))~~. For purposes of this section 5.48.050, "wastewater charges" means,
23 for The City of Seattle, the wastewater charges provided for under City ordinances; and for any

1 port district, the gross income from the conduct, maintenance, and operation of a wastewater
2 system as a public utility in the City.


3 H. As to solid waste, see Section 5.48.055.

4 I. Upon everyone engaged in the business of operating or conducting a cable television
5 system (CATV), a fee or tax equal to ten ~~((10))~~ percent of the total gross income from gross
6 subscriber revenues. For purposes of this ~~((chapter))~~ Chapter 5.48, "gross subscriber revenues"
7 means and includes those revenues derived from the supplying of subscription service, that is,
8 installation fees, disconnect and reconnect fees, fees for regular cable benefits including the
9 transmission of broadcast signals, and access and origination channels and per-program or per-
10 channel charges; ~~((provided))~~ however, the tax liability imposed under this ~~((section))~~ Section
11 5.48.050 shall not include leased channel revenue, advertising revenues, or any other income
12 derived from the system, which shall be taxed under ~~((SMC))~~ Chapter 5.45. The business of
13 operating or conducting a cable television system (CATV) does not include the provision of
14 interactive two-way communications over cable. Such activities shall be reported under the
15 telecommunication service or telephone business classification.


16

1 Section 2. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

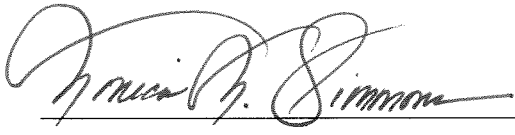
4 Passed by the City Council the 23rd day of Nov., 2015, and
5 signed by me in open session in authentication of its passage this
6 23rd day of Nov., 2015.

7
8 
9 President _____ of the City Council

10
11 Approved by me this 1st day of December, 2015.

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13 
14 Edward B. Murray, Mayor

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16 Filed by me this 1st day of December, 2015.

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18 
19 Monica Martinez Simmons, City Clerk

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21
22 (Seal)
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